

Impact of Big Beautiful Bill

on affordable housing projects and CTCAC tax credit award predictions

- **The Low-Income Housing Tax Credit (LIHTC) program** will be permanently enhanced by authorizing a 12 percent credit allocation increase and lowering the bond financing threshold test to 25 percent. The permanence of these changes could drive additional investment to finance the production or preservation of approximately one million additional affordable rental homes over 10 years.^[1]
- **Modifications to the low-income housing credit.** This provision makes three changes to the LIHTC program. First, for 2026-2029, the “9% LIHTC” is restored to its 2021 level with a 12.5% allocation increase. Second, for the “4% LIHTC”, this provision lowers the bond-financing threshold to 25% for projects financed by bonds with an issue date after 2025 but before 2030. Last, this provision designates Tribal and rural areas as DDAs.^[2]

1. [Local Impacts from Congress' One, Big, Beautiful Bill - National League of Cities](#) ↩

2. [Provisions in Big Beautiful Bill May Impact Real Estate: CLA](#) ↩